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April 9, 2013

Via ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: American Cable Association (“ACA”) *Ex Parte* Filing on the Connect America
Cost Model, WC Docket No. 10-90**

Dear Ms. Dortch:

On April 5, 2013, Ross Lieberman (ACA), Ed Naef and Sam Kornstein (ACA consultants), and the undersigned, Thomas Cohen (Kelley Drye & Warren LLP), met with Michael Steffen, Legal Advisor to Chairman Genachowski, and Carol Matthey and Steve Rosenberg from the Wireline Competition Bureau. The purpose of the meeting was for the Bureau to present its proposals regarding design of the Phase II cost model. The Bureau indicated that it had selected a “Steady State” approach that is forward-looking and includes recovery for all costs necessary to build and operate an efficient modern network in perpetuity. ACA understands this to be a different frame of reference than a brownfield/greenfield design but that in practice it incorporates the main assumptions of a greenfield build. In contrast, ACA has advocated in support of a brownfield build since it most accurately reflects the actual incremental deployment costs the price cap local exchange carriers will undertake to enable broadband service. In other words, ACA believes there is no justification to recover (and provide support for) costs that are not actually incurred. ACA’s concern is highlighted by the fact that a large percentage of the support will go to locations where the price cap carriers have already deployed the qualifying broadband service and will incur no further deployment costs.

ACA representatives stated that they will reflect on the Bureau’s approach and may have further questions. ACA then plans to respond more fully.

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This letter is being filed electronically pursuant to section 1.1206 of the Commission's rules.

Sincerely,



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Counsel for the American Cable Association

cc: Michael Steffen
Carol Matthey
Steve Rosenberg